

Hollywood
Property Owners
Alliance

Frank Stephan
President
Clarett West
Development

Lynda Bybee
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Monica Yamada
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CIM Group, Inc.

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HEL, LLC.

Michael Gargano
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David Green
Nederlander
West Coast

John Lyons
Avalon Hollywood

Jan Martin
AMDA

Galo Medina
Comprehensive
Financial Services

Ron Radachy
Oasis of Hollywood

Lee Rierson
Shine America

Thaddeus Smith
The Fonda Theatre

Tej Sundher
Hollywood
Guinness Museum

John Tronson
Avison Young

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October 31, 2012

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Third Quarter Report: July 1, 2012 through September 30, 2012

As is required in our Agreement with the City of Los Angeles, I am submitting our Third Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- The Annual All Property Owners Meeting occurred on Thursday August 2 at the W Hollywood Hotel.
- There was no August board meeting as the board took a summer hiatus.
- During this time, property owners were given the opportunity to submit their applications for the board of directors. Applications were due August 30, 2012. A Nominating Committee, consisting of John Tronson, Tej Sundher and Beth Marlis (from Musician's Institute) was appointed. There were eight applications for five open seats. Three board members elected to rotate off the board (Thad Smith, Tej Sundher, and Ron Radachy). Two board members re-applied (Frank Stephan and Lee Rierson). The new board candidates are: Joseph D'Amore, Mark Stephenson, and Drew Planting. All property owners were notified of the slate on September 13, 2012. The new slate of five candidates will be formally elected at the November, 2012 annual meeting.

II. Security

- Kerry Morrison and Frank Stephan shared with the board the discussion they had with Mr. LoGrande during their recent meeting. Stephan said that LoGrande would like to create a task force to tackle CUP enforcement across the city. Both Morrison and Stephan asked if the BID could write a letter of support for the department to maintain its staff level, and to ask if the BID could fund an additional staff person to oversee the CUP enforcement efforts in Hollywood. The program would be funded through fees and fines. The board had several questions about the program, including when fees would be paid. Morrison asked if it would be ok to table the motion until she can speak with LoGrande again and try to obtain quantifiable information as to what the BID would need to ask for, and how specifically the program would work. Morrison said she hopes to have this info to the board by their October board meeting. A motion made by John Tronson was withdrawn.

- In September, Morrison and board president, Frank Stephan, met with city planning director, Michael LoGrande to learn more about the city's enforcement of CUP provisions, especially with respect to restaurant and nightclub uses.
- On August 2, staff met with the CA Highway Patrol re/ problems with tour busses and party busses in the Hollywood Entertainment District.
- In response to John Lyons' report to the board, after attending the reconstituted Nightclub CPAB meeting, Frank Stephan formed a small working group to address some of the issues raised by increased concerns about safety at night. In particular, Captain Girmala has asked the board to reconsider deployment of BID security at night. This subcommittee will meet in July.
- The Tour Bus Working Group met over the course of this quarter. The group is coming up with guidelines for sightseeing tours in Hollywood – solicitation, parking, staging etc. A draft of suggested policies was included in the July board meeting packet. HPOA intern Joe Wall reported findings from his research, where he found that there are over 30 buses and kiosks currently operating along Hollywood Blvd. According to the municipal code, there is an exemption for tour bus operators, as no one else is allowed to conduct sell or solicit on the sidewalk. The Working Group is recommending: (1) removing the municipal code exemption for PUC-licensed tour companies selling on public right-of-way; (2) allowing tour companies to operate from a storefront and park their vehicle in front; (3) creating additional designated staging areas for tour coaches carrying charter tours.
- The Character Enforcement Working Group met in July with LAPD and the city attorney; the group also discussed issues related to music CD vendors. The city attorney asked for a "top 10" offenders list with help from Hollywood & Highland. As a result of this meeting, the LAPD ran a task force with 18 officers, resulting in the arrest of three CD vendors. Little action is occurring with respect to the characters; so for the time being, this issue will be moved to a back burner.
- Morrison participated in a focus group at City Hall on July 20, 2012, organized by the council office, to ascertain how valet companies would respond to the proposed valet regulatory ordinance.
- The topic of night-time security continues to be a high priority for the BID Board. Board member, John Lyons reported to the board at the July meeting that this was a topic of discussion at a recent CPAB Nightclub Committee meeting. A subcommittee of board members met on this topic on July 26. Different options are under review: hiring LAPD officers with BID resources; creating a special association between nightclubs and the BID to pay for private security; hiring unarmed officers to provide an "observe and report" role calling in to LAPD for assistance; manning video surveillance cameras. On September 28, Morrison participated in a midnite to 3 a.m. walk around Hollywood and summarized her observations to the board. Specific action items will be further discussed at the October board meeting.
- Staff continues to monitor the city's response to the Ninth Circuit Court's ruling in the Lavan v. LA injunction (placing restrictions on city's ability to remove personal belongings from the public right of way). The board authorized a letter written to the mayor, Councilmember Garcetti and City Attorney Trutanich requesting an appeal of the Lavan case.
- In September, the Security Committee commenced the process of seeking competitive bids on the security contract (working in conjunction with the Central Hollywood Coalition/Sunset & Vine BID). Andrews International has been the vendor for the past five years. Requests for Proposals were mailed to over 20 companies on September 24, 2012.

- **The following are the current security stats for the Hollywood Entertainment District:**

297 Arrests Made, 815 YTD Total
88 Homeless Referrals, 265 YTD Total
2,215 Citizens Contacted, 6472 YTD Total
822 Radio Calls, 2202 YTD Total
504 Business Contacts, 1,619 YTD Total

II. Streetscape

- Staff testified at a July 12, 2012 meeting of the Oversight Board, attesting to HPOA's willingness to assume responsibility for landscape projects that had been previously under the purview of the CRA, with monies from the MTA Call for Projects funds. Approximately \$2.25M is at stake. The city's oversight board has approved, but now it has to go to the State Oversight board, then the Department of Finance. If approved, the funds would pay for some landscape improvements and street furniture within the BID, as well as a portion of Sunset blvd near Hollywood High School. Staff is presently working with the Mayor's office on advocating for the funds and identifying a city department that is willing to serve as the oversight manager.
- Staff has participated in the Walk of Fame Repair Task Force. Construction is scheduled to start on the first phase, in front of Hollywood and Highland, in early September.
- Councilmember Tom LaBonge organized a tribute to the Clean Street employees at the July 24 meeting of City Council.
- As a result of a car accident which resulted in the destruction of the BID's two Victor Stanley bus benches at the corner of Hollywood and Gower, the staff ordered two replacement benches for a cost of \$3,214. This item comes out of the "Landscape/Street Furniture/Maintenance" account.
- The city only planned to remove one of the ficus trees in front of the new Vine Street Parking Structure. The board agreed to pay for the removal of the other two ficus trees, and plan jacarandas, in keeping with the formal landscape plan for Vine Street. The cost is approximately \$3,000, from the "Landscape/Street Furniture/Maintenance" account.
- During this quarter, staff met with adjacent property owners in the alley near Sharkey's (NE corner of Cahuenga and Hollywood) to problem solve around some maintenance issues.

IV. Marketing Issues

- Staff was instrumental in helping to promote the new late night service for METRO that started on July 27. Trains will now run until 2 a.m. on weekends.
- Staff manned a BID booth at the Hester Street Fair on Saturday July 7. They conducted a survey of individuals who attended the Hester Goes Hollywood festival. Over 75% of the attendees were local (outside of Hollywood), with about 17% coming from the 90028 zip code. While 61% drove a car to the event, staff found it encouraging that 20% walked, and 12% took Metro. When asked what one

thing could be done to improve Hollywood, the most popular answer (16%) was “clean up the area,” followed by “assist the homeless” (15%) and “add more dining and entertainment options” (14%).

- Over the course of this quarter, the 2013 Visitor’s Guide was actively marketed. The guide will be printed in October.

V. Other

- Kerry Morrison participated in four meetings over the quarter with representatives from the Chamber, the BIDs, Robertson Properties Group, and Guggenheim Securities to explore the nuts and bolts associated with forming a parking district or joint powers authority to own and manage the public parking assets in Hollywood. These meetings are purely exploratory at this time.
- Working with the chamber, the BID presented a recommendation to the Dept of Transportation relative to the need to increase the time on parking meters in the core part of downtown Hollywood from one hour to two hours. DOT staff says it will take about three months to respond after an analysis.
- Sarah MacPherson continues to chair the LA BID Consortium.
- Staff conducted a survey of stakeholders in a two block radius around the new Vine Street parking structure, which is scheduled to open this fall. The survey showed there was tremendous interest from nearby businesses in the new structure, with 80% of respondents wanting to learn more about it. The greatest need for parking would be weekdays and weekend evenings.
- Joe Mariani and Devin Strecker attended the annual conference for the International Downtown Association in Minneapolis in September, 2012.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals Quarter Ending September 30, 2012

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	3,510,444	3,353,859				
City Fees	35,104		-	37,002	-	
Contingency	96,000		371	1,210	94,790	
Administration	207,022		49,263	137,643	69,379	
Security	1,612,000		494,834	1,082,550	529,450	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Maintenance	1,121,616		261,991	825,978	295,638	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Personnel	412,431		95,029	277,566	134,866	
ED&C/Marketing	110,000		16,701	63,035	46,965	
TOTAL	3,594,173	3,353,859	918,189	2,424,982	1,171,089	

Other income (not included above):

DWP Grant	5,000.00
Assessment penalties income	12,952.08
Interest-LA city	6,977.87
Interest-other	634.24
Total other income as of September 30, 2012	25,564.19

24,000.00

51,755.50

403,000.00

280,404.00

103,107.75

27,500.00

898,543.25